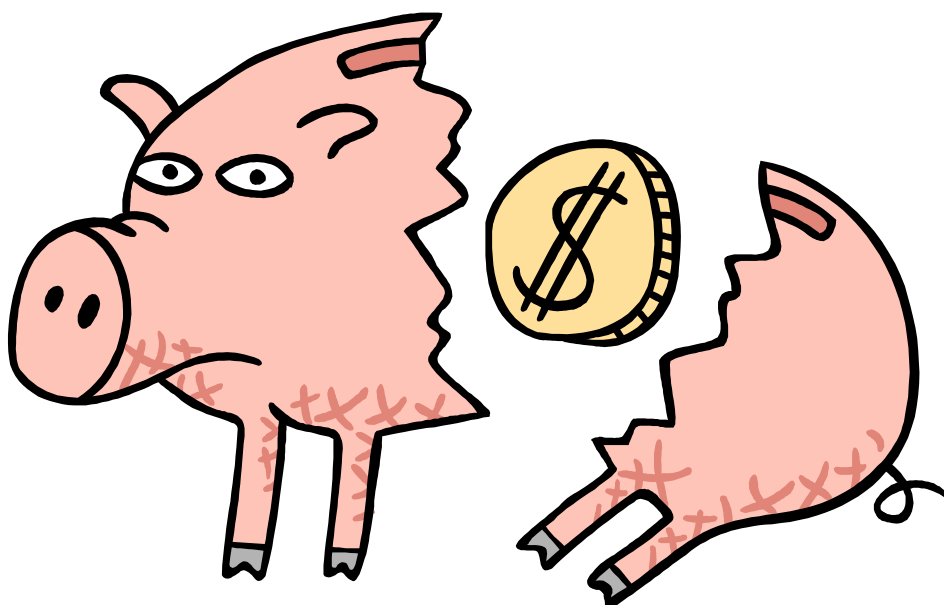


BUDGETING

A project for Consumer and Family Resources Class

Designed by
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TITLE

Budgeting Project

GRADE LEVEL

Grades 11-12

PRODUCT

A workable budget designed for a high school graduate.

DRIVING QUESTION:

How much money do I need to make to survive independently in today's world?

COMPREHENSIVE STANDARD (Family and Consumer Sciences)

7.0 Evaluate management practices related to human, economic and environmental resources.

7.1.1 Examine how individuals and families make choices to satisfy needs and wants.

7.2.3 Consider personal responsibility for use of resources.

7.2.6 Determine practices that allow families to maintain economic self-sufficiency.

7.3.1 Examine the need for personal and financial planning.

7.3.2 Apply management principles to individual and family financial practices.

FACS CONTENT KNOWLEDGE

Key Words: budget, relationships, money, expenses, saving, handling crisis, management, resources

ACADEMIC STANDARDS

SD Communication Language Arts Standards

Goal 1 Indicator 4 Benchmark c: Collect and summarize information to make reasonable and informed choices.

Goal 2 Indicator 1 Benchmark b: Use expressive vocabulary and correct spelling in written work.

SD Math Standards

Goal 4 Indicator 2 Benchmark b: Use numbers in a variety of equivalent forms to solve problems.

PROCESS OUTCOMES:

Foundation skills: *Basic Skills*: reading, writing, integration of math skills

Thinking Skills: problem solving, decision making, reasoning

Personal Qualities: individual responsibility, self esteem

Competencies: *Information*: Interpret information, acquire and evaluate data

PROCEDURE:

Before beginning the project students need to use various resources such as community speakers, textbook, materials about financial planning, and the Internet to find out the basics about money management. The actual amount of wages used may need to be adjusted to the minimum wage and to the typical wages offered in your community. Prices of housing and food may also need to be adjusted. Deductions for social security,

withholding tax, and medicare should also be correct. The overall goal should be to keep the project as realistic as possible. Students will also need to have considered ways to balance work and family, division of responsibility within the home and factors affecting the development of a relationship with a roommate or spouse before beginning this project.

TIMELINE

Approximately 2 weeks depending on length of time of class periods

RESOURCES

Community Speakers—investments, getting a loan, insurance

Actual percentages of money held out for withholding tax, medicare and social security.(You can get this information from your business manager).

Web sites that might be helpful:

www.consumerjungle.com

www.nefc.org/hometext.html This is the National Endowment for Financial Education website which offers free materials that are kept up to date and are very helpful

personalfinance.ja.org

www.budgetyourmoney.com

www.ourfamilyplace.com/budgetl.html

Kimball, Grady and Vineyard, Ben S. Succeeding in the World of Work. New York:Glencoe-McGraw Hill 1998.

ACTIVITIES:

1. Examine references dealing with budgeting and family responsibilities.
2. Research the recommended percentages for division of the paycheck for necessary items needed to develop a budget.
3. Define fixed and flexible expenses.
4. Find a newspaper ad for an apartment or house to rent.
5. Discuss the effects of money management on a relationship.
6. Interview your parents or a single person and find out what they are spending for the basics.
7. Follow the assignment sheet and develop a budget for your situation.

BUDGETING PROJECT ASSIGNMENT SHEET

1. For this project you will assume that you have graduated from high school and you are moving out to be on your own. The job that you have will pay you \$7.00 per hour and you can work 40 hours/week. From this paycheck you will deduct \$44.27 for withholding tax and \$85.68 for social security and medicare. This leaves you a balance of \$857.24 /month. These are actual figures for today.
2. You will set up a budget to allocate use of these funds.
3. In paragraph form you will set up the situation that explains where you are employed. You need to use a size 12 font Times New Roman. The situation should include the following points:
 - Where you live
 - What your basic living arrangements are (single, roommate etc.)
 - Job that you are doing
 - Your basic goals in life
 - Your work responsibilities in the home
 - Division of work responsibilities in the home if and when you are married
 - Importance of communication in a relationship (roommate or spouse)
 - Five things you can do to develop a successful relationship with a roommate or spouse
 - A description of ways you can see yourself balancing work and family in the future when you are married.

Attach a newspaper ad for the apartment or house you will be renting to the bottom of the page where you have written your situation. Be sure the ad includes a dollar figure for the amount of the rent. If you plan on utilities being included, the ad should say so.

4. Set up the actual budget for the month. Understand that a budget should stay the same each month so you only have to type it once. This budget should account for all fixed and flexible expenses needed to maintain the dwelling you are living in and maintain the lifestyle you have described in your situation. Be sure your total equals \$857.24.

Some information for your budget:

- You must be paying rent—you didn't inherit a house from your parents
- You may have a roommate
- You must be making a vehicle payment
- You must have car insurance
- You must use a savings account
- You must spend a minimum of \$100 on food
- You must budget for utilities or find an ad where they are included
- You need to budget for telephone, garbage, and cable TV
- You need to include clothing purchase/care
- You need to consider car expenses
- You need to consider personal spending and entertainment

5. After the budget seems workable a crisis will arise. See your instructor for the crisis that will happen in your situation. This is a typical thing that could happen in real life. Solve the problem in paragraph form and tell how you would adjust your budget to handle the situation. You cannot borrow money from Mom and Dad or any other family member. You only have \$500 in your savings account. That is what is left over from high school graduation. Make this as realistic as possible. If you have to go to the bank and borrow money, find out what the rate of interest would be. For this project you are no longer covered under your parent's health or car insurance.

Attach the paper crisis to the sheet where you solve this problem.

6. After completing the budget you need to evaluate your budget. This needs to be typed on a sheet and the following points should be addressed.

Places in the budget where you could use more money

Ways you could increase your income

Things you would like to do, but cannot afford with this budget

Future expenses you might want to increase such as health insurance, renters insurance, savings account and investments. Think about the things the community speakers have advised you about and use this as a basis for considering the expenses.

Include a summary paragraph about how a budget can be used as a tool to help you achieve your goals and help with harmony within the family.

7. Hand in the 4 typed sheets with the rubric on top. This project is due _____.

ASSESSMENT

A rubric is included that addresses the following points to be graded.

These are the requirements for each part of the project:

SITUATION: This needs to be in paragraph form and should fill at least one sheet of paper.

Housing needed

Job you are working at

Your basic goals in life

What are your work responsibilities at home –dishes, shopping etc.

How do you see the division of work responsibilities when you are married

Why is communication important in a relationship

5 things that contribute to the success of a relationship

5 ways to balance work and family

Be sure this is well written and typed with the size 12 Times New Roman font

Attach an ad from the newspaper that states the amount of rent and whether or not the utilities are included

BUDGET:

Total must equal \$857.24

Rent seems reasonable

Vehicle payment

Car insurance

Savings account is used

Food must be a minimum of \$100

Utilities are covered

Telephone or cell phone

Cable TV

Garbage

Car expenses

Clothing purchase/care

Personal spending

Entertainment

Apartment maintenance

Your budget should be realistic and seem reasonable. If you are making payment now on a vehicle, etc. try to include those actual amounts in your budget to make it more realistic.

CRISIS:

Paper slip is attached

Figures are used to adjust your budget

You have not used more than \$500 out of savings

Budget is adjusted

Solution seems workable and reasonable

You have justified your method of handling this crisis

EVALUATION:

Addresses basic information needed to understand your budget

Discusses places money is needed

Discusses things to do to increase income

Things you would like to do, but can't afford

Future expenses

How a budget can help you reach your goals

Well-written, good grammar and shows thought

For more information about each of the criteria check out your assignment sheet. Be sure all of these criteria are included on your paper before handing in your project

BUDGETING RUBRIC

NAME _____

| Category | 35-30 | 29-25 | 24-20 | 19-15 | 14 & below | Points |
|------------|---|---|--|--|---|--------|
| Situation | All requirements are met & neatly presented on time | 1 requirement is missing | 2 requirements are missing | 3 requirements are missing | 4 or more requirements are missing no ad Incomplete ideas | X2 |
| Budget | Totals equal assigned amount All required items are covered Figures seems reasonable | 1 requirement is missing or unreasonable | 2 requirements are missing or unreasonable | 3 requirements are missing or unreasonable | Totals do not match and 4 or more requirements are missing | X3 |
| Crisis | Slip is attached Figures are used Solution seems realistic Shows thought & creativity | Slip is attached Figures are used. Solution will work | Slip is attached Few figures are used Solution is lacking creativity | Slip is attached Few figures are used Solution is questionable | No slip Figures aren't used, Budget isn't adjusted and results seem unrealistic | |
| Evaluation | All requirements are met Well-written with good grammar. Thought is given to answers | 1 requirement is missing | 2 requirements are missing | 3 requirements are missing | 4 or more requirements are missing | X2 |

Total Possible Points—270

Comments: